In the Matter of the Acquisition of Control of Physicians Insurance Company of Wisconsin, Inc. by American Physicians Assurance Corporation.

Case No. 04-C29283

Petitioner.

PHYSICIANS INSURANCE COMPANY OF WISCONSIN, INC.'S REPLY TO AMERICAN PHYSICIANS ASSURANCE CORPORATION'S RESPONSE TO PHYSICIAN INSURANCE COMPANY OF WISCONSIN, INC.'S REQUEST FOR ADMISSION AS A PARTY

Physicians Insurance Company of Wisconsin, Inc. ("PIC Wisconsin") files this reply to American Physicians Assurance Corporation's Response to Physicians Insurance Company of Wisconsin, Inc.'s Request for Admission as a Party.

In its filing dated October 26, 2004, American Physicians Assurance Corporation ("APAC") suggests that PIC Wisconsin wants to engage in a "fishing expedition" and that discovery in this matter should be limited. To the contrary, PIC Wisconsin should be granted discovery to the full extent permitted by Chapter 804, Wis. Stats and by Wis. Stat. § 227.45(7).

APAC has made a voluminous filing which contains numerous purported representations of fact relating, e.g., to APAC's financial condition, its position and history in the medical malpractice insurance industry, and its long term intentions concerning PIC Wisconsin — all of which are intended to persuade the Office of the Commissioner of Insurance ("OCI") that APAC can overcome each of the grounds for disapproval stated in Wis. Stat. § 611.72. As is apparent from PIC Wisconsin's Request

for Admission As A Party, PIC Wisconsin disputes many of APAC's factual contentions.

PIC Wisconsin has a right to do so under the statute and, pursuant to that right, it will

seek to exercise appropriate rights of discovery with respect to APAC's assertions.

PIC Wisconsin anticipates that the OCI will schedule a pre-hearing conference in

the near future. At that conference, PIC Wisconsin will be prepared to discuss why the

discovery we seek is appropriate and relevant.

Respectfully submitted this 2nd day of November, 2004.

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